Congress of the United States
Washington, DC 20510

July 1, 2010

The Honorable Steven Chu
Secretary
U.S. Department Of Energy
1000 Independence Ave., SW
Washington, DC 20585-0001

Dear Secretary Chu:

We urge you to expeditiously approve ConocoPhillips' recent request for a two-year extension of their Kenai liquefied natural gas (LNG) export permit.

The Kenai Peninsula facility in Nikiski has been exporting LNG since 1969 and its current license will expire in March of 2011. The plant generates approximately $130 million annually for the local economy and provides 60 direct jobs and about 50 more indirect ones. As the only LNG export facility in the United States, the plant also makes a positive contribution to the nation's trade balance.

In addition to supporting the local economy, the facility performs a critical gas-storage function. Overall, the region produces gas in excess of local needs and thus has product available for export. However, due to inevitable production declines and the growth in Southcentral Alaska's population, gas production rates soon may not be able meet the peak winter demand. Therefore, it is critical that the region have the ability to store excess gas produced during low-demand times, and the ConocoPhillips Kenai facility is the only currently available method to store LNG.

While gas storage projects are in development, the ConocoPhillips' LNG plant's storage capacity plays a key role in balancing the peaks and troughs of seasonal demand. Accordingly, though it may initially seem counter-intuitive that an export license is required to help meet local needs, at present it is indeed the case. Plant operators have also voluntarily diverted gas from export when needed to meet peak periods of local demand.

ConocoPhillips has not requested an increase in the amount it will export, merely a continuation of the current amount. In light of the plant's economic and developmental importance, we request that the Department of Energy extend the LNG export permit so that the plant can continue to provide these vital resources both at home and abroad.

Sincerely,

Mark Begich
United States Senator

Lisa Murkowski
United States Senator

Don Young
United States Representative